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FM AMEMBASSY PRETORIA
TO RUEHC/SECSTATE WASHDC 2243
INFO RUEHBJ/AMEMBASSY BEIJING 0670
RUEHLO/AMEMBASSY LONDON 1326
RUEHMO/AMEMBASSY MOSCOW 0677
RUEHFR/AMEMBASSY PARIS 1182
RUEHUL/AMEMBASSY SEOUL 0225
RUEHKO/AMEMBASSY TOKYO 0504
RUEHTN/AMCONSUL CAPE TOWN 4948
RUCPDC/DEPT OF COMMERCE WASHDC
RUEHUNV/USMISSION UNVIE VIENNA 0232
RHEBAAA/DEPT OF ENERGY WASHINGTON DC

UNCLAS PRETORIA 003589

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DEPT FOR AF/S, EEB/ESC, ISN
DOE FOR T.SPERL, G.PERSON, A.BIENAWSKI, L.PARKER, M.SCOTT,
M.CLAPPER

E.O. 12958: N/A

TAGS: ENRG TRGY KNNP PREL BEXP IAEA SF

SUBJECT: PROGRESS ON BILATERAL NUCLEAR INITIATIVES

REF: A. STATE 141182

1B. DOE SCOTT - YOUNG E-MAIL DRAFT POINTS ON R&D
AGREEMENT
1C. PRETORIA 3447

11. (SBU) SUMMARY: Minerals/Energy Officer delivered Ref A message that outstanding issues had been resolved allowing South Africa to move forward on implementing the program for the return of U.S.-origin highly enriched uranium (HEU) spent fuel. The SAG is receptive to moving forward on a number of nuclear cooperation initiatives (Ref C), but is sensitive to appear even-handed between the U.S. and French governments in the run-up to awarding the contract for new nuclear power plants. This will make it difficult to launch new bilateral nuclear initiatives in the near term. END SUMMARY.

12. (SBU) Success Story on Return of U.S.-Origin HEU Spent Fuel: Minerals/Energy Officer delivered the message in Ref A to Department of Minerals and Energy (DME) Chief Director: Nuclear Tseliso Maqubela on October 10 that the remaining issues had been resolved and the SAG could now move forward on implementing the program for the return of U.S.-origin HEU spent fuel. Per Ref A instructions, Minerals/Energy Officer passed the data-sheet on South Africa HEU inventory and informed Maqubela that DOE National Nuclear Security Administration (NNSA) would follow up with details on implementation.

13. (SBU) Bilateral Agreement on Cooperation on R&D in Nuclear Technology: Minerals/Energy Officer delivered draft points that DOE is ready to move forward on signing this agreement and is waiting to discuss with the SAG details on where and when to plan the signing. Maqubela said that the DME was eager to move forward on this initiative, noting that the DME was close to achieving its SAG inter-agency signing authority.

14. (SBU) Maqubela stated that DME wished to move forward on a number of multilateral and bilateral nuclear initiatives already well underway, noting that he was still in discussions with the DOE on the Global Nuclear Energy Partnership (Ref C). He stated, however, that his staff was stretched thin and his office's priority was new build of nuclear power plants. Repeating an earlier theme, Maqubela

stressed that his staff would have to be careful to appear even-handed with the U.S. and French governments (since Westinghouse and Areva are the contenders). Therefore, he stated that it may be difficult to advance the Joint Standing Committee on Nuclear Cooperation (JSCNC) at this time, since it would be a new bilateral initiative with the U.S.

15. (SBU) Economic Counselor and Minerals/Energy Officer will meet with DME Deputy Director General for Electricity and Nuclear Energy Nelisiwe Magubane on October 16 to seek to advance these nuclear and other initiatives.

16. (SBU) COMMENT: Post believes that a more flexible approach would be more likely to secure South Africa's participation in the Global Nuclear Energy Partnership (GNEP). The obstacle has been South Africa's reluctance to forgo the option of uranium enrichment as a perceived condition of membership, because of its published plans to benefit from its uranium reserves and supply its budding nuclear power capacity, while maintaining its international non-proliferation obligations. Including an acknowledgement of South Africa's intention to consider enrichment for its own use could help the country over this obstacle. Bringing South Africa into the GNEP fold as a key "southern" partner could later assist in recruiting other developing countries to participate in GNEP.

17. (SBU) COMMENT CONTINUED: Minerals/Energy Officer called Maqubela on October 10 amid afternoon thunderstorms, rolling black-outs, and consequent traffic jams. He complained that his DME offices were dark because of Eskom's load shedding power cuts due to unseasonable cold, rainy weather and planned and unplanned outages at power plants, resulting in a shortfall in power capacity of about 20 percent. Maqubela has no illusions about the need to move forward quickly to address South Africa's growing demand for electric power.

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